

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

DIGITAL MEDIA SOLUTIONS, LLC,

Plaintiff,

v.

SOUTH UNIVERSITY OF OHIO, LLC, *et al.*,

Defendants.

)
) CASE NO. 1:19-CV-00145
)
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)
) JUDGE DAN AARON POLSTER
)
)
) MAGISTRATE JUDGE THOMAS
) M. PARKER
)

**NOTICE OF STUDIO ENTERPRISE MANAGER, LLC REGARDING MOTION FOR
THE ENTRY OF AN ORDER (A) PERMITTING SOUTH UNIVERSITY AND THE
ARTS INSTITUTES TO ASSUME CERTAIN EMPLOYEE BENEFIT OBLIGATIONS
WHICH AROSE BETWEEN JANUARY 1, 2019 THROUGH APRIL 30, 2019;
(B) PERMITTING THE ARTS INSTITUTES TO FORGIVE CERTAIN LOAN
OBLIGATIONS FOR STUDENTS WHO WERE THE VICTIMS OF
MISREPRESENTATIONS MADE BY DCEH BETWEEN JANUARY 20, 2018 AND
JUNE 15, 2018; (C) ISSUING A BAR ORDER PROHIBITING FURTHER CLAIMS
AGAINST STUDIO AND CERTAIN OTHER RELATED PARTIES; AND (D) FOR
SUCH OTHER RELIEF AS IS APPROPRIATE**

On November 9, 2019, Studio Enterprise Manager, LLC (“Studio”) filed a motion for the entry of an order (a) permitting South University – Member, LLC (collectively with all of its direct and indirect subsidiaries “South University”) and The Arts Institutes International, LLC (collectively with all of its direct and indirect subsidiaries the “Arts Institutes”) to assume certain employee benefit obligations that arose between January 1, 2019 through April 30, 2019 (the “Covered Period”) that neither the Receivership Entities¹ nor Mark E. Dottore, the receiver (the

¹ The Receivership Entities are Dream Center Education Holding LLC (“DCEH”), Dream Center Education Management LLC, Dream Center Argosy University of California LLC and its direct subsidiary Argosy Education Group LLC (together, “Argosy”), South University of Ohio LLC, South University of Michigan LLC, The DC Art Institute of Raleigh-Durham LLC, The DC Art Institute of Charlotte LLC, DC Art Institute of Charleston LLC, DC Art Institute of Washington, LLC, The Art Institute of Tennessee-Nashville LLC, AiTN Restaurant LLC, The Art Institute of Colorado LLC, DC Art Institute of Phoenix LLC, The Art Institute of Portland LLC, The Art Institute of Seattle LLC, The Art Institute of Pittsburgh, DC LLC, The Art Institute of Philadelphia, DC, LLC, DC Art Institute

“Receiver”) have paid; (b) permitting the Arts Institutes to forgive certain loan obligations for students who were the victims of misrepresentations made by Dream Center Education Holding LLC (“DCEH”) between January 20, 2018 and June 15, 2018; (c) issuing a bar order (the “Bar Order”) prohibiting further claims against Studio, South University, the Arts Institutes, and certain other related parties relating to the unpaid employee healthcare claims and other previously released claims, and including certain releases (the “Bar Order”); and (d) granting such other and further relief as is just and proper (Docket No. 449). After filing the Motion, Studio received several inquiries concerning the proposed Bar Order from potentially interested parties, and South University and the Arts Institutes agreed to make several amendments to the terms of the Bar Order originally proposed in the Motion. Studio filed a supplement to the Motion, including the Bar Order integrating the changes, on November 20, 2019 (Docket No. 466) (the “Supplement”).

Studio continues to receive comments and inquiries regarding the proposed Bar Order and the Motion as of the date of the filing of this Notice. While the Supplement originally proposed that Studio completing service of the Motion and the Supplement on or before November 25, 2019 on each of the Covered Employees and the HLC Students (as defined in the Motion) via regular mail, Studio desires to resolve certain concerns raised by the Receiver and the Settlement Administrator, among other parties, before incurring the significant cost of providing regular-mail service to each of the individual students and employees potentially affected individuals by the generous relief Studio proposes in the Motion. Studio instead proposes that it provide service of the Motion and Supplement, including all relevant

of Fort Lauderdale LLC, The Illinois Institute of Art LLC, The Art Institute of Michigan LLC, The Illinois Institute of Art at Schaumburg LLC, DC Art Institute of Phoenix, LLC, The Art Institute of Las Vegas LLC, The Art Institute of Indianapolis, LLC, and AiIN Restaurant LLC.

attachments, to each of the HLC Students and the Covered Employees after the status conference in this matter currently scheduled for December 3, 2019. Studio desires to consensually resolve as many concerns, comments and objections to the Motion and the Bar Order as possible before sending regular-mail notice to nearly three thousand potentially affected individuals, potentially causing confusion for these students and employees.

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November 25, 2019

Respectfully submitted,

/s/ M. Colette Gibbons

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Counsel for Studio Enterprise Manager, LLC

CERTIFICATE OF SERVICE

I hereby certify that on November 25, 2019, a copy of the foregoing Notice Regarding Motion of Studio Enterprise Manager, LLC For the Entry of an Order (A) Permitting South University and The Arts Institutes To Assume Certain Employee Benefit Obligations Which Arose Between January 1, 2019 Through April 30, 2019; (B) Permitting the Arts Institutes to Forgive Certain Loan Obligations For Students Who Were The Victims Of Misrepresentations Made By DCEH Between January 20, 2018 and June 15, 2018; (C) Issuing a Bar Order Prohibiting Further Claims Against Studio and Certain Other Related Parties; and (D) For Such Other Relief as is Appropriate was filed electronically. Notice of this filing will be sent to all parties by the Court's electronic filing system. Parties may access this filing through the Court's system.

/s/ M. Colette Gibbons

M. Colette Gibbons (0003095)